Adviser use only

Aspect Absolute Return Fund - Class A

Colonial First State

aspect capital

Monthly performance report - 30 April 2023

Key data

APIR code	FSF3532AU
Inception date	6/12/2017
Total Management cost ^	0.98%
Management cost *	0.62%
Estimated Performance Fee	0.36%
Performance fee	10.00%
Buy / Sell spread	nil / nil
Product size	$25.12 million
Exit unit price	0.9896
Distribution Frequency	Half Yearly
Morningstar ticker	42093

Investment objective

To produce consistent absolute returns that are independent of overall movements in traditional stock and bond markets. The fund aims to provide a return greater than the Reserve Bank of Australia cash rate over rolling three-year periods after fees and taxes.

Minimum suggested timeframe At least 5 years

Strategy

The option aims to maximise diversification by spreading risk evenly across three uncorrelated investment themes; Momentum, Carry and Value, with no single theme dominating the return profile. The strategy employs a quantitative process to determine a view of the opportunities across the three investment styles. By maintaining a comparatively small exposure to any individual contract, Aspect achieves sector and contract diversification, thereby exploiting a wide range of opportunities and maximising expected long-term risk-adjusted returns.

Performance

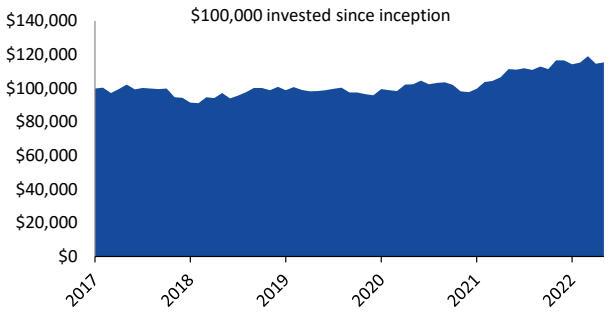
	April	3 months	6 months	1 year	2 years	3 years	5 years	Since inception
Total Net Return	0.74%	0.11%	-1.12%	3.61%	6.12%	5.45%	2.46%	2.68%

Performance returns shown on this page indicate past performance only. Past performance is no indication of future performance.

Risk measures

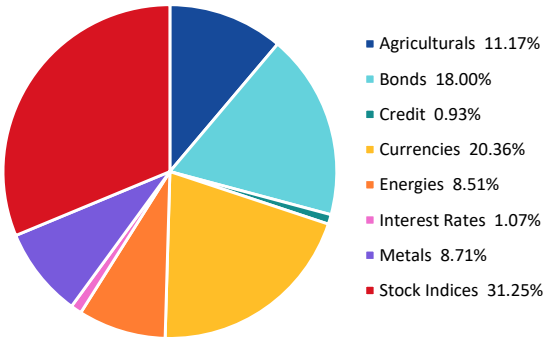
	1 year	2 years	3 years	5 years	Since inception
Fund standard deviation	10.37%	9.95%	8.88%	8.38%	8.41%

Performance charts

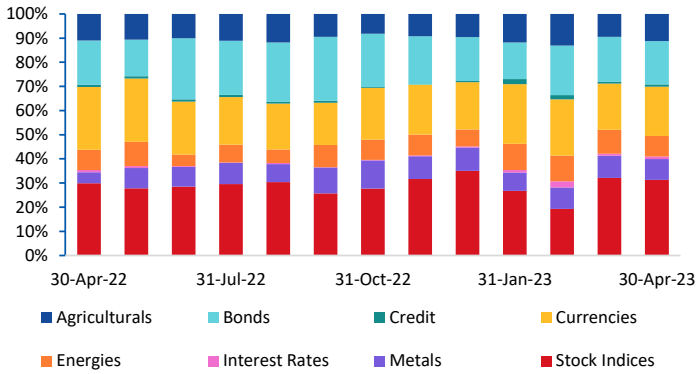


Performance contribution***

Risk allocation snapshot (as at 30-Apr-2023)**



Risk allocation by sector (last 12 months)**



All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs. All return calculations exclude any individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. The 'distribution' component is the amount paid by the way of distribution, which may include net realised capital gains.

** Portfolio risk is broken down by sector at each point in time based on the proportion of total undiversified value-at-risk from each sector; correlation effects are not taken into account.

*** The sector performance contribution displayed in this graph is intended to be indicative and give an estimate of winning and losing components of the Fund. It does not include management fees, cash and other expenses and as such, will not add up to the aggregate Fund performance. All performance figures contained in this document refer to the Aspect Diversified Futures Fund. This performance is based on information believed to be accurate. It has not been audited by a third party.

^ This estimated performance fee has been calculated on a per annum basis from the fund's inception (December 2017) to 30 April. Please refer to the PDS for the actual performance fee paid in the last 12 months to 30 April. As past performance is no indicator of future performance, the performance fee, if any, charged in the future may differ.

* Calculated on the dollar value of positive performance (less carried forward negative performance) generated on the futures and forwards trading accounts.

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Top markets

Market	Sector	Position
EUR / NOK	Currencies	Long
Sugar	Agriculturals	Long
Wheat	Agriculturals	Short

Bottom markets

Market	Sector	Position
Australian SPI 200 Index	Stock Indices	Short
FTSE 100 Index	Stock Indices	Short
Japanese 10Y Bond (mini)	Bonds	Short

Net monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017													
2018	0.52%	-3.12%	2.41%	2.68%	-2.72%	0.82%	-0.41%	-0.26%	0.25%	-5.16%	-0.25%	-3.00%	-8.23%
2019	-0.45%	3.94%	-0.57%	3.11%	-3.31%	1.78%	2.17%	2.62%	-0.05%	-1.31%	2.04%	-2.08%	7.89%
2020	1.98%	-1.69%	-0.89%	0.23%	0.55%	0.76%	0.74%	-2.92%	0.10%	-1.07%	-0.73%	3.82%	0.71%
2021	-0.63%	-0.55%	3.96%	0.22%	2.06%	-2.13%	0.90%	0.26%	-1.48%	-3.67%	-0.65%	2.05%	0.12%
2022	4.07%	0.65%	2.19%	4.44%	-0.30%	0.80%	-0.95%	1.79%	-1.20%	4.65%	-0.08%	-1.99%	14.71%
2023	0.86%	3.33%	-3.83%	0.74%									

Rolling returns

Commentary

Continued signs of stress amongst US regional banks cemented investors' expectations of recession, as lenders tightened credit conditions in the face of rising rates, exiting deposits and higher risks of defaults. Market-implied policy rates suggested a final 25bps hike at the upcoming Federal Reserve's meeting in May, followed by rate cuts in the second half of this year.

Within the Fund's most profitable sector, currencies, the Fund's net long exposure to the euro against the Norwegian krone led gains. The Nordic currency weakened as the Norges Bank continued to sell its domestic currency to fund the Government Pension Fund of Norway. Widening rate differentials and oil price weakness also weighed on the currency. The Fund's long exposure to the euro against the Japanese yen was also profitable. Stubbornly high inflation, strong wage growth and the lack of a recession this winter in Europe have given the ECB room to hike. This has been supportive for the euro against the Japanese yen, particularly given the BOJ's pursuance of yield curve controls. The Fund sustained a small loss across its net short exposure to bonds, as yields fell slightly on expectations of a more dovish Federal Reserve policy stance ahead.

Across commodities, the majority of the Fund's gains came from agriculturals. Sugar prices rallied extensively as poor weather in sugar producing country India constrained supply, and increased production of ethanol—a biofuel made using sugarcane juice—supported demand. The Fund also made gains from its short positioning in wheat which came under pressure due to prospects of bumper crops in the Americas.

Want more information?

To find out more about this Fund, please contact your local Business Development Manager, Adviser Services on 13 18 86 (8:30am to 6pm Sydney time) or visit www.cfs.com.au/investments

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